



Committee report

Committee	CABINET
Date	TUESDAY, 17 SEPTEMBER 2013
Title	CONFIRMATION OF THE TERMS FOR THE DISPOSAL OF SUNNYCREST NURSERY, NEWCHURCH
Report to	CABINET MEMBER FOR RESOURCES

EXECUTIVE SUMMARY

1. This report seeks members' approval to conclude the sale of the former Sunnycrest Nursery Site, Wacklands Lane Newchurch following the delegated decision of the deputy leader and Cabinet member for the economy and regulatory services taken in August 2012 (reference 31/12). The terms if agreed, will provide the council with a capital receipt of £365,625.

BACKGROUND

2. Sunnycrest Nursery occupies a site extending to approximately four acres, situated in a rural location fronting Wacklands Lane on the outskirts of the village of Newchurch. Existing buildings comprise a substantial detached bungalow constructed in circa 1972, originally providing four bedrooms, three reception rooms, kitchen, bathroom and shower room together with a garage, but currently used by the tenant as office accommodation. In addition there are various outbuildings, comprising in excess of 6,000 sq ft of glass houses in various states of repair together with additional offices, stores, training rooms, café and staff rooms. A site plan is attached as Appendix A.
3. The site was declared surplus to requirements in early 2012 and was offered for sale on the open marketing in May 2012. The marketing generated very limited interest and a single offer of £390,000 was received from the Caravan Club Ltd who own the adjacent caravan park. This was accepted by the council under delegated authority in August 2012. The bid was based on use of the site for 49 pitches however following local objections and further discussions with Planning Services on the planning application the scheme was redesigned with a lower number of pitches. This reduced the viability of the site and the Caravan Club sought to renegotiate the price and a revised offer of £365,625 was made. This offer was subsequently accepted by the council via an officer/ members decision record in March 2013 following which legal services were instructed to complete the sale.

4. Contracts relating to this agreement have been negotiated and finalised but not yet exchanged with the Caravan Club. There is therefore an opportunity for the council to revisit and confirm that it is happy with this agreement before the sale is completed.

STRATEGIC CONTEXT

5. The disposal of the site was identified in the council's Strategic Asset Management Plan, approved in 2011. The capital receipt will contribute to the council's overall resources and delivery of its "framework for change" document.

CONSULTATION

6. The member for Newchurch has been consulted and supports the proposed sale.

FINANCIAL / BUDGET IMPLICATIONS

7. The financial implications of concluding the disposal of the former Sunnycroft Nursery to the Caravan Club were set out in detail in the delegated decision paper published in March 2013. The current offer would result in a capital receipt to the Isle of Wight Council of £365,625.

LEGAL IMPLICATIONS

8. The council currently holds the property on a freehold basis. Once a sale has been completed the council will have no further interest in the property
9. Section 123 of the Local Government Act 1972 allows the council to dispose of land for 'best consideration'. Best consideration is not limited to the highest achievable price, but can also include the value of other economic or social benefits particularly where these further the council's corporate objectives.

EQUALITY AND DIVERSITY

10. The council, as a public body, is subject to general and specific duties under equality and diversity legislation and as such has a duty to impact assess its services, policies/strategies, and decisions with regards to diversity legislation and the nine protected characteristics (race, gender reassignment, disability, age, sex and sexual orientation, religion or belief, pregnancy and maternity, marriage and civil partnership). The proposal in this report has no direct impact on those with protected characteristics.

OPTIONS

11. The following options are offered for members' consideration: -
 - (1) To confirm the sale of the sale of Sunnycroft Nursery to the Caravan Club Ltd for the sum of £365,625 and on the terms as set out in the delegated decision taken in August 2012.
 - (2) To reject the offer for the site and re commence the marketing of the site.
 - (3) To reject the offer for the site and maintain ownership of the site using it for the council's own purposes.

RISK MANAGEMENT

12. If the council does not proceed with the disposal of the former Sunnycrest Nursery site to the Caravan Club it would be foregoing a significant capital receipt with a significant risk that it will not be able to attract an alternative proposal for a similar sum. The original robust marketing exercise only elicited the bid from the Caravan Club and a re-marketing exercise is unlikely to result in an improved offer given the limited development and potential uses of the site.
13. Any further delay in concluding the sale could result in the loss of the Caravan Club as a potential purchaser, given the time lapsed from the original decision to dispose of the site, and consequently the capital receipt agreed for the sale.
14. If the council is not able to conclude the sale of the site to the Caravan Club it would have to begin an exercise to market the property for rent or make use of the property itself. Currently the council has no identified uses for the property. At this stage there is no guarantee that the council could identify a tenant for the site and any long term vacancy of the site could result in vandalism which may diminish its value. There are also potential insurance liabilities from unlawful access and security and other ongoing costs for which there is no allocated budget.

EVALUATION

15. The agreement with the Caravan Club for its acquisition of the former Sunnycrest Nursery site is beneficial to the council in terms of the level of capital receipt that it will generate for the authority
16. It is unlikely that given the location and planning restrictions of the site that the council would be able to generate a higher value from a re marketing exercise and no alternative uses have been put forward during the marketing process.
17. Retaining the site in council ownership would require either a service use or its marketing for rent. There is no current demand for the site from within the council and any rental demand is likely to be limited given the planning restrictions.

RECOMMENDATION

18. On the basis of the information contained in this report it is recommended that the council adopts option 1

To confirm the sale of the sale of Sunnycrest Nursery to the Caravan Club Ltd for the sum of £365,625 and on the terms as set out in the delegated decision taken in August 2012.

BACKGROUND PAPERS

- “Proposed Sale of the former Sunnycrest Nursery site, Wacklands Lane, Newchurch - Approval of Financial Offer”, Decision Under Delegated Powers (August 2012) [[Ref 31/12](#)]

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